

# IRS News Release

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## IRS Encourages Taxpayers to Take Advantage of Overlooked Tax Benefits

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WASHINGTON — The Internal Revenue Service today urged taxpayers to take a moment before they file their income tax returns to be sure they do not overlook several important benefits to which they may be entitled.

“Many taxpayers are missing out this year on the special telephone excise tax refund and other benefits such as the Earned Income Tax Credit,” IRS Commissioner Mark W. Everson said. “If you don’t claim it, you don’t get it. That’s money down the drain for millions of Americans.”

In addition to the telephone excise tax refund and the Earned Income Tax Credit, many taxpayers also overlook free services available to them, such as free tax help and the Free File program.

Still others lose out by not filing a return. Even if a taxpayer does not owe tax and is not required by law to file a return, he or she may miss out on a refund or tax credit that is available.

Following are five refunds, credits or services that taxpayers frequently overlook:

**Telephone Excise Tax Refund** — This is a one-time refund of long distance excise taxes available on 2006 income tax returns. The refund applies to charges billed from March 2003 through July 2006. The IRS offers a standard refund amount of \$30 to \$60, or taxpayers can calculate the actual tax paid. Even if the taxpayer does not normally have to file a return, Form 1040EZ-T can be used to request this refund. Businesses and exempt organizations can also request it. Taxpayers can visit IRS.gov for more information on this special payment.

**IRS Free File** — Nearly 20 companies are offering free electronic filing to taxpayers whose 2006 adjusted gross income was \$52,000 or less. That means 70 percent of all taxpayers, 95 million individuals, can take advantage of the IRS-sponsored Free File program. A link to Free File offerings is located on the IRS.gov homepage.

**Earned Income Tax Credit** — Earned income of less than \$39,000 in 2006 may qualify a taxpayer to claim the earned income tax credit. This credit could be worth up to \$4,536. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. To qualify, taxpayers must meet certain requirements and file a tax return, even if they did not earn enough money to be obligated to file a tax return. An electronic special “EITC Assistant” is available on IRS.gov to help taxpayers determine whether they are eligible. Taxpayers can access more information on this credit by visiting IRS.gov and clicking on “1040 Central.”

**Free Tax Help** — Tax help sites in libraries, churches, community centers and other locations are staffed by trained volunteers. Taxpayers who earned less than \$39,000 and file a simple tax return can call 1-800-829-1040 to locate the nearest Volunteer Income Tax Assistance Program site. In addition, senior citizens can take advantage of the free IRS Tax Counseling for the Elderly program by calling 1-800-829-1040 or AARP’s Tax-Aide counseling program at 1-888-227-7669.

**Unclaimed Refunds** — Refunds totaling approximately \$2.2 billion are waiting for approximately 1.8 million people who failed to file a federal income tax return for 2003. In order to collect the money, a return for 2003 must be filed no later than April 17, 2007. The IRS estimates that half of those who could claim refunds would receive more than \$611. In some cases, individuals had taxes withheld from their wages, or made payments against their taxes out of self-employed earnings, but had too little income to require filing a tax return. Current and prior year tax forms and instructions are available on the Forms and Publications page of IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). Taxpayers who need help also can call the IRS help line at 1-800-829-1040.